

Before the  
**Federal Trade Commission**  
Sixth Street and Pennsylvania Avenue, N.W.  
Washington D.C. 20580

In re :  
Year 2000 Consumer Issues : FTC File No. P984238

COMMENTS FROM THE ATTORNEYS GENERAL  
OF THE STATES OF CONNECTICUT, KANSAS, NEW  
YORK, NORTH DAKOTA, PENNSYLVANIA, AND VERMONT

I. Introduction

The Attorneys General of the States of Connecticut, Iowa, Kansas, Kentucky, Nevada, Pennsylvania, and Vermont (the "Attorneys General") are pleased to submit these comments in response to the request of the Federal Trade Commission ("FTC") for comments regarding the various types of Year 2000 ("Y2K") problems that consumers are likely to face. The Attorneys General believe that the FTC's request presents an appropriate forum to present their position on Y2K problem identification and rectification and their concern about the marketing of products as Y2K compliant. We fully support the FTC's interest in addressing how the Y2K problem may affect consumers. Comments received from various sectors, including the software, electronics, and financial services industries, may help to identify and solve any potential Y2K problems. Moreover, we

believe that the FTC should use these comments to develop a national standard of consumer protection measures directed to hold consumers harmless for any harm they might suffer due to Y2K problems.

## II. Types of Products and Services

As noted in the FTC's Request for Comment, there appear to be three principal areas of consumer products and services that might be impacted by the Y2K problem: software, electronics, and the personal financial services industry. While these three industries would seem to be the primary areas in which one would expect to find Y2K problems, the Attorneys General believe that all consumer related industries, at all levels of the manufacturing and retailing process, should evaluate potential consumer related problems. It is only pursuant to a comprehensive evaluation of the Y2K problem that consumers of all products and services can be protected.

## III. Manufacturers' and Services Providers' Obligations

The obligations of manufacturers and service providers would seem to fall into three main categories: identification, rectification, and communication. First, manufacturers and service providers should determine whether any of the consumer products they make or services they offer are likely to have a Y2K problem. Any date dependent product or service should be suspect. Second, manufacturers and service providers should

analyze the possible remedies for fixing any identified Y2K problem and implement the most effective of these. Third, manufacturers with consumer products already on the market should develop a policy and plan for notifying all consumers of the problem and all possible remedies. Service providers should disclose to their customers how their accounts may be affected by the Y2K problem and what has or will be done to remedy the possible problems.

The commitment shown by manufacturers and service providers to the identification, rectification, and communication of potential Y2K problems is of paramount concern to the Attorneys General. Consumers may have little to no understanding of the Y2K problem or its significance in their lives. It is therefore appropriate for the manufacturers and service providers to identify these problems and protect consumers from them.

#### IV. Marketing

The Attorneys General are also concerned about the current and future marketing of products that implicate Y2K issues. Our primary concern is how manufacturers might use Y2K compliance as a selling point. Specifically, the Attorneys General believe that any representation that a product is Y2K compliant implicitly conveys that the type of product being sold has a Y2K problem and that such problem has been identified and rectified. If a manufacturer or service provider markets its product or

service as Y2K compliant, it is incumbent on that company to ensure that the statement is truthful and not misleading.

V. Conclusion

The total scope of the Y2K problem is, as yet, unclear. What is evident, however, is the need for all consumer related industries to identify any possible Y2K problems that may affect consumers. While the Attorneys General believe that a manufacturer's or service provider's failure to identify and correct a Y2K problem or any misrepresentation they may make concerning Y2K compliance would constitute a violation of state consumer protection laws, we also believe that strict enforcement of consumer protection laws by the FTC concerning these same issues would provide the national direction needed in this area.

Respectfully submitted this 27th day of July, 1998.

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